

RACCOON (3031)

Consolidated FY (Million Yen)		Sales	OP	RP	NP	EPS (Yen)	DPS (Yen)	BPS (Yen)
FY04/2013		1,806	181	176	133	24.6	4.0	246.5
FY04/2014		1,932	247	248	123	21.8	4.3	264.2
FY04/2015CoE		2,050	325	330	200	34.2	6.8	-
FY04/2014	YoY	6.9%	36.6%	40.8%	(7.8%)	-	-	-
FY04/2015CoE	YoY	6.1%	31.6%	33.1%	62.6%	-	-	-
Consolidated Q1 to Q3 (Million Yen)		Sales	OP	RP	NP	EPS (Yen)	DPS (Yen)	BPS (Yen)
Q1 to Q3 FY04/2014		1,433	183	183	106	-	-	-
Q1 to Q3 FY04/2015		1,518	254	256	159	-	-	-
Q1 to Q3 FY04/2015	YoY	5.9%	38.3%	39.8%	50.2%	-	-	-
Consolidated Quarters (Million Yen)		Sales	OP	RP	NP	EPS (Yen)	DPS (Yen)	BPS (Yen)
Q1 FY04/2015		490	57	58	35	-	-	-
Q2 FY04/2015		506	92	93	59	-	-	-
Q3 FY04/2015		521	103	105	64	-	-	-
Q4 FY04/2015CoE		531	70	73	40	-	-	-
Q1 FY04/2015	YoY	5.7%	48.5%	55.0%	74.5%	-	-	-
Q2 FY04/2015	YoY	7.4%	62.8%	66.0%	20.9%	-	-	-
Q3 FY04/2015	YoY	4.6%	17.9%	17.1%	76.0%	-	-	-
Q4 FY04/2015CoE	YoY	6.7%	11.0%	12.7%	133.9%	-	-	-

Source: Company Data, WRJ Calculation (after retroactive adjustment for change of accounting)

1.0 Results Update (25 February 2015)

Favorable Earnings & Share Buyback

On 25 February 2015, RACCOON, comprehensively pursuing efficiency of corporate transactions by means of running operations for online shopping, settlement agent services and accounts receivables guarantee, released its Q1 to Q3 FY04/2015 results. It has been revealed that earnings trends are favorable in all those three business domains (business segments), across the board.

At the same time, it was also announced that the Company was going to buy back shares. In order to mainly share more earnings with shareholders while improving capital efficiency, the Company plans to buy back shares in the market, up to 4.8% (280,000 shares) of shares outstanding but for treasury shares and/or up to ¥200m (¥714 per share on a simple average basis) through 26 February and 30 April of 2015.

Q1 to Q3 FY04/2015 Results

In Q1 to Q3 FY04/2015, sales came in at ¥1,518m (up 5.9% YoY), operating profit ¥254m (up 38.3%), recurring profit ¥256m (up 39.8%) and net profit ¥159m (up 50.2%), while operating profit margin 16.7% (up 3.9% points).

Out of full-year Company forecasts, the Company achieved 74.1% of prospective sales and 78.2% of operating profit, suggesting that earnings are rather running ahead. In terms of FY04/2014 results, the Company achieved 74.2% of full-year operating profit during the same periods.

On the EC Business side, where the Company runs online shopping site “Super Delivery” to mainly supply small-sized real retailers with apparel products & sundries on a many kinds in small quantities basis, sales came in at ¥1,151m (up 2.4%) and segment profit ¥161m (up 27.6%). In regards to “Super Delivery”, the Company continues acquiring incoming new exhibiting companies, including those so favored by own member retailers, due to recent changes of sales promotion strategy. As a result, trading amounts came in at ¥7,100m (up 3.6%).

In line with this, sales in this business segment steadily increased over the year, while expenses are rather coming down, as far as we could gather, due to improving efficiency in operations. In fact, sales increased ¥26m over the year, while segment profit ¥34m. Meanwhile, in regards to “COREC” to offer cloud-based ordering services, the Company started up billing for users of pay plan in September 2014. To date, however, this has not yet meaningfully contributed to earnings in this business segment, being at the initial stage of operations.

On the Paid Business side, the Company saw substantially decreasing segment loss over the year, where it is involved with B-to-B cloud-based settlement agent services. When internal sales included, sales came in at ¥194m (up 28.8%) and segment loss ¥14m versus ¥31m over the year. Meanwhile, external sales shot up to ¥73m (up 85.6%).

Since Q1, the Company has been beefing up marketing on this side, having resulted in substantially increasing number of member companies and utilization rates among them. Thus, trading amounts came in at ¥7,585m (up 27.0%, including intragroup trading ¥5,037m).

On the Accounts Receivables Guarantee Business side to have been acquired by merger in November 2010, sales came in at ¥417m (up 12.5%), including internal sales, and segment profit ¥77m (up 37.0%). Meanwhile, external sales came in at ¥293m (up 9.0%).

Increasing sales and earnings in this business segment is basically in line with increasing guarantee outstanding. Including that of intragroup ¥760m, guarantee outstanding came in at ¥5,278m, up 12.6% from the end of FY04/2014. For example, business rents guarantee to have been started up in the middle of April 2014, began to meaningfully contribute to guarantee outstanding as a whole for this business segment, starting in Q3.

FY04/2015 Company Forecasts

FY04/2015 Company forecasts, revised up on 15 January 2015, have remained unchanged. Prospective sales are ¥2,050m (up 6.1% YoY), operating profit ¥325m (up 31.6%), recurring profit ¥330m (up 33.1%) and net profit ¥200m (up 62.6%), while operating profit margin 15.9% (up 3.0% points). Meanwhile, prospective dividend per share has remained unchanged, likewise, at ¥6.8, implying payout ratio 19.9%.

2.0 Company Profile

Running Online Shopping Site “Super Delivery”

Company Name	RACCOON CO., LTD. Website (Japanese only) IR Information (Japanese only) Share Price 
Established	May 1996 (Inaugurated in September 1993)
Listing	6 April 2006: Tokyo Stock Exchange Mothers (Ticker: 3031)
Capital	¥ 796m (As of the end of January 2015)
No. of Shares	5,861,100 shares: including 46 treasury shares (As of the end of January 2015)
Main Features	<ul style="list-style-type: none"> ● Online shopping site to mainly supply small-sized real retailers ● Settlement agency services and accounts receivables guarantee to expand ● Corporate Philosophy: Efficiency & convenience for corporate activities
Business Segments	<ul style="list-style-type: none"> . EC Business . Paid Business . Accounts Receivables Guarantee Business
Top Management	President: Isao Ogata
Shareholders	Isao Ogata 30.8%, CREDIT SUISSE SEC. (EUROPE) PB OMNIBUS 2.9% (As of the end of October 2014)
Headquarters	Chuo-ku, Tokyo JAPAN
No. of Employees	Consolidated:121, Unconsolidated:96 (As of the end of Apr 2014)

Source: Company Data

3.0 Financial Statements

Income Statement (Cumulative, Quarterly)

Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
(Million Yen)	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4		Net Chg.
	04/2014	04/2014	04/2014	04/2014	04/2015	04/2015	04/2015	04/2015		
Sales	463	935	1,433	1,932	490	996	1,518	-		+84
Cost of Sales	81	156	226	311	75	142	221	-		(4)
Gross Profit	382	778	1,207	1,620	415	854	1,297	-		+89
SG&A Expenses	343	682	1,023	1,373	357	704	1,042	-		+19
Operating Profit	38	95	183	247	57	150	254	-		+70
Non Operating Balance	(1)	(1)	0	0	0	1	2	-		+2
Recurring Profit	37	93	183	248	58	151	256	-		+73
Extraordinary Balance	0	0	(1)	(17)	0	(4)	(4)	-		(3)
Pretax Profit	37	93	182	231	57	146	252	-		+69
Tax Charges, etc.	17	24	76	107	21	51	93	-		+16
Net Profit	20	69	106	123	35	95	159	-		+53
Sales YoY	+8.6%	+9.4%	+9.1%	+6.9%	+5.7%	+6.6%	+5.9%	-		-
Operating Profit YoY	+14.9%	+30.0%	+37.8%	+36.6%	+48.5%	+57.0%	+38.3%	-		-
Recurring Profit YoY	+16.6%	+31.5%	+41.6%	+40.8%	+55.0%	+61.6%	+39.8%	-		-
Net Profit YoY	(9.9%)	+140.2%	+36.8%	(7.8%)	+74.5%	+36.6%	+50.2%	-		-
Gross Profit Margin	82.5%	83.2%	84.2%	83.8%	84.6%	85.7%	85.4%	-		+1.2%
SG&A / Sales	74.1%	73.0%	71.4%	71.1%	72.9%	70.7%	68.7%	-		(2.7%)
Operating Profit Margin	8.3%	10.2%	12.8%	12.8%	11.7%	15.1%	16.7%	-		+3.9%
Recurring Profit Margin	8.1%	10.0%	12.8%	12.9%	11.9%	15.2%	16.9%	-		+4.1%
Net Profit Margin	4.4%	7.4%	7.4%	6.4%	7.3%	9.5%	10.5%	-		+3.1%
Tax Charges, etc. / Pretax Profit	45.6%	25.8%	41.9%	46.7%	38.0%	35.4%	36.9%	-		(5.0%)
Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
(Million Yen)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		Net Chg.
	04/2014	04/2014	04/2014	04/2014	04/2015	04/2015	04/2015	04/2015		
Sales	463	471	498	498	490	506	521	-		+23
Cost of Sales	81	75	69	84	75	66	79	-		+9
Gross Profit	382	396	428	412	415	439	442	-		+13
SG&A Expenses	343	339	340	349	357	346	338	-		(2)
Operating Profit	38	57	88	63	57	92	103	-		+15
Non Operating Balance	(1)	0	1	1	0	0	1	-		0
Recurring Profit	37	56	89	64	58	93	105	-		+15
Extraordinary Balance	0	0	(1)	(16)	0	(3)	0	-		+1
Pretax Profit	37	56	88	48	57	89	105	-		+16
Tax Charges, etc.	17	7	52	31	21	30	41	-		(11)
Net Profit	20	49	36	17	35	59	64	-		+27
Sales YoY	+8.6%	+10.3%	+8.6%	+1.1%	+5.7%	+7.4%	+4.6%	-		-
Operating Profit YoY	+14.9%	+42.7%	+47.5%	+33.3%	+48.5%	+62.8%	+17.9%	-		-
Recurring Profit YoY	+16.6%	+43.7%	+54.0%	+38.6%	+55.0%	+66.0%	+17.1%	-		-
Net Profit YoY	(9.9%)	+678.1%	(24.9%)	(69.1%)	+74.5%	+20.9%	+76.0%	-		-
Gross Profit Margin	82.5%	84.0%	86.0%	82.8%	84.6%	86.8%	84.8%	-		(1.2%)
SG&A / Sales	74.1%	71.9%	68.4%	70.1%	72.9%	68.5%	64.9%	-		(3.5%)
Operating Profit Margin	8.3%	12.1%	17.7%	12.8%	11.7%	18.3%	19.9%	-		+2.2%
Recurring Profit Margin	8.1%	11.9%	18.0%	13.0%	11.9%	18.4%	20.2%	-		+2.2%
Net Profit Margin	4.4%	10.4%	7.3%	3.5%	7.3%	11.7%	12.3%	-		+5.0%
Tax Charges, etc. / Pretax Profit	45.6%	12.6%	58.9%	64.4%	38.0%	33.7%	39.0%	-		(19.9%)

Source: Company Data, WRJ Calculation

Segmented Information (Cumulative, Quarterly)

Segmented Information (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 04/2014	Q1 to Q2 04/2014	Q1 to Q3 04/2014	Q1 to Q4 04/2014	Q1 04/2015	Q1 to Q2 04/2015	Q1 to Q3 04/2015	Q1 to Q4 04/2015		
EC	367	735	1,125	1,508	375	760	1,151	-	-	+26
Paid	10	23	39	57	20	45	73	-	-	+33
Accounts Receivables Guarantee	85	176	269	366	94	191	293	-	-	+24
Sales	463	935	1,433	1,932	490	996	1,518	-	-	+84
EC	+0.9%	+1.1%	+1.5%	+1.6%	+2.1%	+3.4%	+2.4%	-	-	-
Paid	+238.5%	+209.2%	+172.6%	+150.3%	+96.5%	+92.5%	+85.6%	-	-	-
Accounts Receivables Guarantee	+44.3%	+47.8%	+41.2%	+22.4%	+10.3%	+8.5%	+9.0%	-	-	-
Sales (YoY)	+8.6%	+9.4%	+9.1%	+6.9%	+5.7%	+6.6%	+5.9%	-	-	-
EC	79.3%	78.6%	78.5%	78.1%	76.6%	76.3%	75.8%	-	-	-
Paid	2.3%	2.5%	2.8%	3.0%	4.3%	4.5%	4.8%	-	-	-
Accounts Receivables Guarantee	18.4%	18.9%	18.8%	19.0%	19.2%	19.2%	19.3%	-	-	-
Sales (Composition)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-	-	-
EC	30	66	126	167	34	88	161	-	-	+34
Paid	(13)	(23)	(31)	(37)	(7)	(11)	(14)	-	-	+16
Accounts Receivables Guarantee	12	29	56	71	19	48	77	-	-	+20
Segment Profit	29	72	151	201	46	125	223	-	-	+72
Elimination	9	22	32	46	10	24	30	-	-	(1)
Operating Profit	38	95	183	247	57	150	254	-	-	+70
EC	8.2%	9.1%	11.2%	11.1%	9.2%	11.7%	14.0%	-	-	+2.8%
Paid	(123.6%)	(102.1%)	(79.0%)	(65.7%)	(34.2%)	(25.0%)	(20.0%)	-	-	+58.9%
Accounts Receivables Guarantee	14.1%	16.9%	20.9%	19.6%	20.7%	25.4%	26.3%	-	-	+5.4%
Operating Profit Margin	8.3%	10.2%	12.8%	12.8%	11.7%	15.1%	16.7%	-	-	+3.9%

Segmented Information (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 04/2014	Q2 04/2014	Q3 04/2014	Q4 04/2014	Q1 04/2015	Q2 04/2015	Q3 04/2015	Q4 04/2015		
EC	367	367	389	383	375	384	391	-	-	+1
Paid	10	12	15	18	20	24	28	-	-	+12
Accounts Receivables Guarantee	85	91	92	96	94	97	102	-	-	+9
Sales	463	471	498	498	490	506	521	-	-	+23
EC	+0.9%	+1.3%	+2.3%	+1.9%	+2.1%	+4.7%	+0.5%	-	-	-
Paid	+238.5%	+188.4%	+132.1%	+112.5%	+96.5%	+89.2%	+75.4%	-	-	-
Accounts Receivables Guarantee	+44.3%	+51.3%	+30.2%	(10.7%)	+10.3%	+6.8%	+9.9%	-	-	-
Sales (YoY)	+8.6%	+10.3%	+8.6%	+1.1%	+5.7%	+7.4%	+4.6%	-	-	-
EC	79.3%	77.9%	78.2%	76.9%	76.6%	76.0%	75.1%	-	-	-
Paid	2.3%	2.7%	3.2%	3.6%	4.3%	4.8%	5.4%	-	-	-
Accounts Receivables Guarantee	18.4%	19.4%	18.6%	19.5%	19.2%	19.3%	19.6%	-	-	-
Sales (Composition)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-	-	-
EC	30	36	59	41	34	54	72	-	-	+13
Paid	(13)	(10)	(7)	(6)	(7)	(4)	(3)	-	-	+3
Accounts Receivables Guarantee	12	17	26	15	19	29	28	-	-	+2
Segment Profit	29	43	78	49	46	79	98	-	-	+19
Elimination	9	13	9	14	10	13	5	-	-	(3)
Operating Profit	38	57	88	63	57	92	103	-	-	+15
EC	8.2%	10.0%	15.3%	10.7%	9.2%	14.1%	18.6%	-	-	+3.3%
Paid	(123.6%)	(84.1%)	(45.0%)	(36.7%)	(34.2%)	(17.0%)	(12.1%)	-	-	+32.9%
Accounts Receivables Guarantee	14.1%	19.5%	28.5%	15.9%	20.7%	29.8%	27.9%	-	-	(0.5%)
Operating Profit Margin	8.3%	12.1%	17.7%	12.8%	11.7%	18.3%	19.9%	-	-	+2.2%

Source: Company Data, WRJ Calculation

Balance Sheet (Quarterly)

Balance Sheet (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 04/2014	Q2 04/2014	Q3 04/2014	Q4 04/2014	Q1 04/2015	Q2 04/2015	Q3 04/2015	Q4 04/2015		
Cash & Deposit	803	860	957	969	1,082	1,361	1,259	-	-	+301
Accounts Receivables	1,230	1,455	1,312	1,777	1,482	1,685	1,626	-	-	+314
Inventory	-	-	-	-	-	-	-	-	-	-
Other	247	231	184	147	240	182	160	-	-	(24)
Current Assets	2,282	2,547	2,455	2,894	2,806	3,230	3,045	-	-	+590
Tangible Assets	20	18	19	18	39	41	39	-	-	+19
Intangible Assets	277	271	274	260	263	259	261	-	-	(13)
Investment & Other Assets	79	77	69	55	63	50	44	-	-	(24)
Fixed Assets	378	368	363	334	365	352	345	-	-	(18)
Total Assets	2,660	2,915	2,818	3,228	3,171	3,582	3,391	-	-	+572
Accounts Payables	881	1,093	915	1,185	1,118	1,436	1,175	-	-	+260
Short Term Debt	67	51	140	232	228	74	71	-	-	(69)
Other	220	238	202	238	212	251	277	-	-	+74
Current Liabilities	1,168	1,383	1,258	1,656	1,559	1,763	1,524	-	-	+266
Convertible Bonds	99	-	-	-	-	-	-	-	-	-
Long Term Debt	43	34	26	20	15	160	142	-	-	+116
Other	6	7	6	6	41	41	40	-	-	+33
Fixed Liabilities	148	41	33	26	56	201	182	-	-	+149
Total Liabilities	1,317	1,424	1,291	1,683	1,616	1,964	1,707	-	-	+415
Shareholders' Equity	1,341	1,489	1,525	1,543	1,553	1,616	1,681	-	-	+155
Other	1	1	1	1	1	1	3	-	-	+1
Total Assets	1,342	1,490	1,527	1,545	1,555	1,617	1,684	-	-	+156
Total Liabilities & net Assets	2,660	2,915	2,818	3,228	3,171	3,582	3,391	-	-	+572
Equity Capital	1,341	1,489	1,526	1,543	1,554	1,616	1,681	-	-	+155
Interest Bearing Debt	209	85	166	252	243	234	213	-	-	+47
Net Debt	(594)	(774)	(791)	(716)	(839)	(1,127)	(1,045)	-	-	(254)
Equity Capital Ratio	50.4%	51.1%	54.1%	47.8%	49.0%	45.1%	49.6%	-	-	(4.6%)
Net-Debt-Equity Ratio	(44.3%)	(52.0%)	(51.9%)	(46.5%)	(54.0%)	(69.7%)	(62.2%)	-	-	(10.3%)
ROE (12 months)	10.2%	12.8%	11.6%	8.6%	9.6%	9.6%	11.0%	-	-	(0.5%)
ROA (12 months)	7.0%	7.1%	8.7%	8.2%	9.2%	9.4%	10.4%	-	-	+1.7%
Quick Ratio	174%	167%	180%	166%	165%	173%	189%	-	-	-
Current Ratio	195%	184%	195%	175%	180%	183%	200%	-	-	-

Source: Company Data, WRJ Calculation

Cash Flow Statement (Cumulative)

Cash Flow Statement (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 04/2014	Q1 to Q2 04/2014	Q1 to Q3 04/2014	Q1 to Q4 04/2014	Q1 04/2015	Q1 to Q2 04/2015	Q1 to Q3 04/2015	Q1 to Q4 04/2015		
Operating Cash Flow	na	105	na	95	na	470	na	-	-	-
Investing Cash Flow	na	(28)	na	(75)	na	(36)	na	-	-	-
Operating CF & Investing CF	na	77	na	20	na	433	na	-	-	-
Financing Cash Flow	na	(74)	na	91	na	392	na	-	-	-

Source: Company Data, WRJ Calculation

Disclaimer

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